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## **Creating jobs in Michigan will get colossal boost from MEGA extension**

**Lansing** – States who are hoping to lure new businesses will continue to have a tough competitor in Michigan as the highly revered Michigan Economic Growth Authority Act took its first step towards reauthorization yesterday.

The MEGA program is one of the major economic incentives used by Michigan to attract business growth that may be looking to locate in other states. It is one of the main programs in the nine-point Republican Job Opportunities for Business Success program. The MEGA program operates by offering qualifying companies Single Business Tax credits if they locate or expand their operations in Michigan.

The program was set to expire Dec. 31, 2003, but the Senate Committee on Commerce and Labor, chaired by Sen. Jason Allen (R-Traverse City), approved a package of bills to extend the program until Dec. 31, 2009.

“Throughout the month of October, the Commerce and Labor Committee studied the impact of these grants in strengthening Michigan’s economy,” Allen said. “After reviewing the impact of this program, it became obvious that we need this program to continue.”

The reauthorization of this legislation is done through a four-bill legislative package that extends the date, provides additional oversight tools, and improves the credit-granting ability of the program, especially for high-tech businesses.

“Creating a more reasonable threshold for high-tech companies to qualify for MEGA credits became readily apparent in the testimony the committee received,” Allen said. “Only a handful of MEGA credits have been given to high-tech companies, because many cannot meet the stringent qualifications that were established. By revising these qualifications, it will greatly increase the opportunity for more high-tech development in Michigan.”

(More)

Other major changes clarify the definition of an “affiliated business” and alter the criteria for the MEGA credits for job expansion and retention. Both changes will expand the number of businesses eligible for MEGA credits.

“These changes are the result of real-life situations where Michigan will lose jobs if we don’t continue MEGA,” Allen said.

In recent years, Michigan has been a national leader in attracting new business. Enacting this legislation will allow Michigan continue to lead the nation.

Senate Bills 820-822 and 824 are expected to be taken up by the full Senate soon. They will then go to the House of Representatives for approval.

“There are a lot of states hoping we don’t reauthorize the MEGA program so they can lure businesses away from Michigan,” Allen said. “Unfortunately for them, we are not only reauthorizing the program, but making it even stronger.”

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**Audio Advisory:** Audio clips of Senator Allen are available on the internet at <http://www.senate.michigan.gov/gop/audiowire/> or by phone at (517) 373-4000.